

**GENERAL BOARD MEETING MINUTES
DECEMBER 21, 2016
FERGUS ELECTRIC COOPERATIVE, INC.**

1. **GENERAL MEETING CALLED TO ORDER.** The Fergus Electric Cooperative Board of Trustees met in general session December 21, 2016, with PRESIDENT BOB EVANS calling the meeting to order at 10:00 a.m. Other Board members present were BRAD ARNTZEN, PAUL DESCHEEMAERKER, DAVID DOVER, TERRY FROST, JASON SWANZ and MIKE VLASTELIC. GENERAL MANAGER SCOTT SWEENEY, LINE SUPERINTENDENT DALE RIKALA and OFFICE MANAGER SALLY HORACEK were also present. CORPORATE COUNSEL KRIS BIRDWELL served as the scrivener. The Pledge of Allegiance was recited.
2. **APPROVAL OF AGENDA.** After reviewing the meeting agenda, JASON SWANZ moved to approve it. PAUL DESCHEEMAERKER seconded the motion, which carried unanimously.
3. **PUBLIC COMMENT PERIOD.** The Board noted the regular time for member input relative to any issue of interest or importance to them. No members appeared.
4. **APPROVAL OF MINUTES OF PREVIOUS MEETING.** After reviewing the minutes of December 2, 2016 general meeting, BRAD ARNTZEN moved to approve the minutes. DAVID DOVER seconded the motion, which carried unanimously.
5. **EXECUTIVE SESSION – MANAGER’S ANNUAL REVIEW.** At 10:10 a.m. JASON SWANZ moved to go into executive session for the Manager’s annual review. PAUL DESCHEEMAERKER seconded the motion, which carried unanimously. The Board went into executive session at 10:15 a.m. and terminated the executive session at 11:00 a.m.
6. **RATIFY DISCUSSION DURING EXECUTIVE SESSION.** TERRY FROST moved to approve the salary offered to GENERAL MANAGER SCOTT SWEENEY for the forthcoming year. MIKE VLASTELIC seconded the motion, which carried unanimously.
7. **TINTINA COPPER MINE.** MANAGER SWEENEY, along with directors MIKE VLASTELIC and PAUL DESCHEEMAERKER, reported on a recent meeting with the Tintina Copper Mine executives. DESCHEEMAERKER recommended follow up with Tintina in the coming weeks and recommended that Fergus Electric prepare a list of benefits aimed at showing Tintina that the Co-op can make a competitive proposal. The Board discussed power line routes, engineering studies and a cultural resource assessment. DAVID DOVER moved to conduct up to three (3) engineering/system impact studies. MIKE VLASTELIC seconded the motion, which carried unanimously.
8. **COMMUNITY SOLAR DISCUSSION.** STAKING ENGINEER MELANIE FORAN reported to the Board concerning her recent communications with RUSTY HARRIS of THINKONE CONSTRUCTION MANAGEMENT, LLC. RUSTY HARRIS has provided a bid for design and construction management services. MELANIE also reported that she will work with LAURIE LOHRER to coordinate a community education meeting on February 22, 2017.



9. **MEMBERS 1ST AND PRECORP BOARD.** MIKE VLASTELIC reported on the December meetings that took place in Gillette, Wyoming. MANAGER SCOTT SWEENEY reported on the G&T Adder proposed by Members 1st. TERRY FROST moved to approve the proposed G&T Adder. JASON SWANZ seconded the motion, which carried unanimously.
10. **BASIN ELECTRIC POWER COOPERATIVE PREPAYMENT.** SALLY HORACEK explained the merits of making prepayment on Fergus Electric's power bill to Basin Electric Power Cooperative. Pre-payments will earn interest at varying rates. The rates are higher than are available on savings accounts. MIKE VLASTELIC moved to start making prepayments at Basin Electric, using the same as a savings account to earn interest on the pre-payments. PAUL DESCHEEMAER seconded the motion, which carried unanimously.
11. **SCADA METERING.** MANAGER SWEENEY reported on SCADA Metering. He also reported that the Co-op's cost for SCADA metering at six (6) selected sites would total \$31,000.00. As the Co-op will receive credit on its monthly power bill from Basin as reimbursement for the expense, the cost will be recovered within 18 months. SCADA Metering will allow Basin Electric to receive real time data and continuously evaluate loads. Concerning the SCADA Metering, SWEENEY reported that no Board action is required now.
12. **ROBOCALLS.** MIKE VLASTELIC reported on recent regulation concerning robocalls.
13. **LETTERS OF CREDIT VS DEPOSITS.** VLASTELIC and SWEENEY reported on the use of letters of credit in place of deposits for large loads. MANAGER SWEENEY reported on renewable energy production and distribution by the Southwest Power Pool ("SPP").
14. **SOUTHERN BOARD.** DAVID DOVER and JASON SWANZ reported on the proceedings of the December Southern Board meeting. They reported that Southern is making steady progress toward dissolution.
15. **BOARD POLICY 214.0 – INTERCONNECTION OF COGENERATORS.** The Board reviewed the policy and SCOTT'S recommendation to amend subparagraph J on page 8. After discussion, TERRY FROST moved to approve Board Policy 214 as amended. BRAD ARNTZEN seconded the motion. The motion carried unanimously and a copy is attached.
16. **FINANCIAL AND OTHER MONTHLY REPORTS.** Staff presented financial and other monthly reports to the Board for discussion. Included in the items seen were the November 2016 operating report and analysis of operating statistics.
17. **OPERATIONS REPORT.** LINE SUPERINTENDENT DALE RIKALA reported that, to date, 66 new meters have been installed; 400 new poles were added, with 378 being retired, of which 372 were junked. This compares to 65 new meters and 339 junk poles in December of 2015. DALE gave a detailed update on the status of the Co-op's fleet of trucks. JASON SWANZ moved to order and purchase a new bucket truck. DAVID DOVER seconded the motion, which carried unanimously.

18. INVENTORY OF WORK ORDERS. After reviewing Inventory of Work Orders No. 582-5812X for \$173,706.64 and 582-582X (A) for \$4,381.86, MIKE VLASTELIC moved to approve them. PAUL DESCHEEMAER seconded the motion, which carried unanimously.

19. SIGNAL PEAK, LLC AND EXPRESS PIPELINE. MANAGER SWEENEY noted that the combined load factor for the 50Kv and 100Kv signal Peak Sub was 46.9%. Express Pipeline had a combined load factor of 60.1%

20. ESTATE CAPITAL CREDIT RETIREMENTS. The Board reviewed the December 2016 estate capital credit retirements of \$10,953.14 prepared by SUSAN HINKLEY. MIKE VLASTELIC moved to affirm the retirements and PAUL DESCHEEMAER seconded the motion, which carried unanimously.

21. CAPITAL CREDIT RETIREMENT. DAVID DOVER moved to affirm a capital credits retirement of \$357,238.65 for the capital credits earned in the balance of 1983 and 20% of 1984. BRAD ARNTZEN seconded the motion, which carried unanimously.

22. MONTANA COUNCIL OF COOPERATIVES. MIKE reported on his attendance at the December meeting. MIKE discussed grassroots issues, training, financials, budget concerns and avian protection.

23. NRECA, CFC AND NRTC VOTING DELEGATE. After discussion, MIKE VLASTELIC moved to appoint TERRY FROST as Fergus Electric's voting delegate at NRECA, CFC and NRTC Annual Meetings. JASON SWANZ seconded the motion, which carried unanimously.

24. FUTURE MEETINGS.

- a. Co-op day at the Capitol, Helena – Jan. 10
- b. Montana Council of Co-op's Annual Meeting, Helena – Jan. 10
- c. Members 1st Board, Sundance – Jan. 17
- d. PRECorp Board, Sundance – Jan. 17
- e. Safety Meeting & Wellness Day, FEC – Jan. 18
- f. Southern Board, Billings – Feb. 2
- g. Fergus Board, **Friday Jan. 27, Wed. Feb. 22**, March 30, April 27, May 25
- h. Fergus Electric Annual Meeting, Fergus County Trade Center, Thursday, June 8

25. NEWS FROM THE DISTRICTS. Each Board member shared items of interest from their district.

26. ADJOURN. PRESIDENT EVANS adjourned the meeting at 3:40 p.m.


Secretary

ATTEST: 
President

